



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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TO: Members, Public Disclosure Commission

FROM: Doug Ellis
Assistant Director

DATE: May 23, 2006

SUBJECT: Emergency Rules Implementing Chapter 348, laws of 2006 (3SHB 1226)

Chapter 348 requires the emergency adoption of rules pertaining to the reporting obligation out-of-state political committees. The emergency rules would be in place for 120 days as the Commission moves forward on a parallel track with the permanent rule making process.

I. WAC 390-05-522 Place of business – Definition. See attached.

Currently, an out-of-state political committee must disclose all contributions from Washington residents or corporations which have a place of business in the state of Washington that, in the aggregate, contributes more than \$25 to the committee.

However, Chapter 348 also requires the reporting of the name and address of each corporation residing outside the state of Washington which has made one or more contributions in the aggregate of more than \$2,500 during the current calendar year.

In some cases, a corporation residing (headquartered) in say Florida will have retail outlets in Washington (e.g., Chicos). If this company contributes to an out-of-state political committee active in Washington, is the committee required to report Chicos' contributions at the \$25 or \$2,500 threshold?

In order to clarify this issue, staff is proposing the Commission define "a place of business in the state of Washington" for purposes of the \$25 threshold [RCW 42.17.093(1)(f)] to be corporations that are headquartered, or have a primary place of business, in Washington.

If this rule is adopted, Chicos would be reported at the \$2,500 level, but Boeing – which has a major division in Washington – would be reported at the \$25 level.

II. WAC 390-16-050 Forms for contributions and expenditures of out-of-state political committees. See Attached.

This rule amends PDC form C-5 to reflect the changes specified in the session law. Those changes include:

1. The disclosure of the name, address and employer of each person or corporation residing outside the state of Washington who has contributed \$2,500 or more to the out-of-state committee during the current calendar year;
2. Changing the due date from the 20th of the month to the 10th of the month for activity in the previous month;
3. Removing the exemption for federal PACs filing with the Federal Election Commission and including reference to federal PACs in the filing instructions; and
4. Clarifying what "place of business" means.

Action by the Commission: Staff is requesting the Commission approve the emergency rules. If approved, the emergency rules will be filed with the Code Reviser's Office and be in effect for 120 days. Staff will also proceed with the process for permanent adoption of the rules.